GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:845
ANSWERED ON:13.07.2004
REFORM IN POWER SECTOR
Jagannath Dr. M.;Thakkar Smt. Jayaben B.;Verma Smt. Usha;Yerrannaidu Shri Kinjarapu

Will the Minister of POWER be pleased to state:

(a) whether the Government is contemplating to make some changes in the existing Mega Power Policy and adopt a six pronged strategy in the country in order to bring reforms in power sector; and

(b) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) & (b) : The mega power policy announced in 1995 has been reviewed and revised from time to time after due inter-ministerial consultations, considering the experience gained in its implementation and the needs of the power sector. The policy was first revised in November, 1998 and provided for zero customs duty for import of capital equipment for 19 identified inter-state mega power projects in the Public as well as Private Sector. In addition, the income-tax holiday had been continued with the provision that the tax holiday period of 10 years can be claimed by a promoter in any block of 10 years within the first 15 years.

As per the latest amendment to the Customs Notification issued in March, 2003, the customs duty waiver has been extended to all inter-state projects which fulfill the basic criteria of minimum capacity of 1000 MW for thermal and 500 MW for hydel projects subject to certification by the Ministry of Power.